

13 April 2023

IONICRE MOVES TO 60% OWNERSHIP OF MAKUUTU RARE EARTHS PROJECT

The Board of Ionic Rare Earths Limited ("IonicRE" or "The Company") (ASX: IXR) is pleased to advise, that following on from the positive Makuutu Stage 1 Definitive Feasibility Study (DFS) which showed that Makuutu would have an initial 35 year mine life with EBITDA of A\$2.29 billion and an IRR of 32.7% (ASX: 20 March 2023), and subsequent advice that approval from the Ugandan Ministry of Energy and Mineral Development (MEMD) to progress the construction of a technical facility and Demonstration Plant at the Makuutu Mine Site had been received (ASX: 11 April 2023), that the Company has moved to 60% ownership of Ugandan subsidiary Rwenzori Rare Metals Limited ("RRM") which owns 100% of the Makuutu Rare Earths Project.

The Company continues to engage with stakeholders in the Ugandan Government on the status of Mining Licence Application (MLA) TN03834 over the central Makuutu tenement RL 1693. Pleasingly, the Ministry has made progress in upgrading its mineral licencing system to align it with the provisions of the Mining and Mineral Act 2022 and is in the final stages of developing the Mineral and Mineral Licencing Regulations, 2023.

The Company will update the market as news is available on progress of the MLA.

Authorised for release by the Board.

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About Ionic Rare Earths Ltd

Ionic Rare Earths Limited (ASX: IXR or IonicRE) is set to become a miner, refiner and recycler of sustainable and traceable magnet and heavy rare earths needed to develop net-zero carbon technologies.

The flagship Makuutu Rare Earths Project in Uganda, 60% owned by IonicRE, is well-supported by existing tier-one infrastructure and is on track to become a long-life, low Capex, scalable and sustainable supplier of high-value magnet and heavy rare earths oxides (REO). In March 2023, IonicRE announced a positive stage 1 Definitive Feasibility Study (DFS) for the first of 6 tenements to progress to a Mining Licence Application (MLA) which is pending in Uganda. The Makuutu Stage 1 DFS defined a 35-year life initial project producing a 71% rich magnet and heavy rare earth carbonate (MREC) product basket and the potential for significant potential and scale up through additional tenements. The Stage 1 MLA is expected to be awarded in Q2 2023.

Ionic Technologies International Limited ("IonicTech"), a 100% owned UK subsidiary acquired in 2022, has developed processes for the separation and recovery of rare earth elements (REE) from mining ore concentrates and recycled permanent magnets. Post-acquisition, IonicTech is now focusing on the commercialisation of the technology to achieve near complete extraction from end of life / spent magnets and waste (swarf) to high value, separated and traceable magnet rare earth products with grades exceeding 99.9% rare earth oxide (REO). This technology provides first mover advantage in the industrial elemental extraction of REEs from recycling, enabling near term magnet REO production capability to support demand for early-stage alternative supply chains.

As part of an integrated strategy to create downstream supply chain value, IonicRE is also evaluating the development of its own magnet and heavy rare earth refinery, or hub, to separate the unique and high value magnet and heavy rare earths dominant Makuutu basket into the full spectrum of REOs plus scandium.

This three-pillar strategy completes the circular economy of sustainable and traceable magnet and heavy rare earth products needed to supply applications critical to electric vehicles, offshore wind turbines, communication and key defence initiatives.

IonicRE is a Participant of the UN Global Compact and adheres to its principles-based approach to responsible business.

Competent Persons Statement

The information in this report that relates to Production Targets or forecast financial information derived from production the production target for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that all material assumptions and technical parameters underpinning the Production Targets or forecast financial estimates in the announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement has been prepared by Ionic Rare Earths Limited and may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Ionic Rare Earths Limited. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Ionic Rare Earths Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward looking statement is based.